



THE ROYAL BANK OF CANADA

Notice of the Annual Meeting of Common Shareholders and Management Proxy Circular



THE ROYAL BANK
OF CANADA

Notice of the Annual Meeting of Common Shareholders

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of Common Shareholders of The Royal Bank of Canada will be held in Le Grand Salon, Queen Elizabeth Hotel, 900 René-Lévesque Boulevard West, Montreal, Quebec, Canada on Thursday, the 12th day of January 1989 at 10:30 o'clock in the forenoon for the following purposes:

- (1) to receive the Financial Statements of the Bank for the year ended October 31, 1988, and the Auditors' Report thereon,
- (2) to elect Directors,
- (3) to appoint Auditors,
- (4) to fix the Auditors' remuneration,
- (5) to transact such other business as may properly be brought before the meeting.

Montreal, December 6, 1988

BY ORDER OF THE BOARD

J.E. LAWSON

Vice-President and Secretary

IMPORTANT

Shareholders who are unable to be present at the meeting are requested to sign and return the enclosed form of proxy in the envelope provided for that purpose. Proxies must be received at the Montreal office of the Transfer Agent at least 48 hours prior to the meeting.

Management Proxy Circular

Solicitation of Proxies

THIS MANAGEMENT PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF THE ROYAL BANK OF CANADA (THE "BANK") OF PROXIES FOR USE AT THE ANNUAL MEETING OF THE COMMON SHAREHOLDERS OF THE BANK TO BE HELD ON THE 12TH DAY OF JANUARY 1989 AT THE PLACE AND FOR THE PURPOSES SET FORTH IN THE NOTICE OF MEETING ACCOMPANYING THIS MANAGEMENT PROXY CIRCULAR. The cost of solicitation will be borne by the Bank. The solicitation will be primarily by mail. However, the directors, officers and regular employees of the Bank may also solicit proxies by telephone, telegram or in person.

Voting Shares and Principal Holders Thereof

On November 8, 1988, the Bank had outstanding 132,840,941 common shares. Subject to the provisions of the Bank Act, shareholders as at the record date of November 24, 1988 are entitled to one vote for each such share held. Shareholders who acquire their shares subsequent to November 24, 1988 may acquire voting rights provided they request the Bank not later than 10 days before the meeting to add their name to the voters' list.

To the knowledge of the directors and officers of the Bank, no shareholder on November 8, 1988 owned or exercised control or direction over more than 10% of the outstanding common shares of the Bank.

Voting Restrictions

Under the provisions of the Bank Act, the voting rights pertaining to a share of the capital stock of the Bank may not be exercised if

- (a) the shareholder is a resident of Canada who holds the share in the right of, or for the use or benefit of, a non-resident;
- (b) the shareholder holds the share in the name or right of, or for the use or benefit of, the government of Canada or of a province, or an agent thereof (including an official, trustee or corporation administering, managing or

investing a fund established to provide compensation, hospitalization, medical care, annuity, pension or similar benefits to particular classes of individuals, or moneys derived from such a fund), or the government of a foreign state or political subdivision, or an agent thereof;

- (c) the share is held in the name or right of, or for the use or benefit of, a person and the total number of shares held by or for that person, or that person and other persons deemed to be associated with him, exceeds 10% of the outstanding shares of the Bank; (a holder of 5,000 shares or less is assumed not to be associated with any other shareholder); or
- (d) the share is held by or on behalf of a guarantee fund or pension fund to which a bank or a Quebec savings bank is a contributor.

In certain cases, voting rights may be exercised notwithstanding the restrictions referred to above.

The foregoing is a summary only. A copy of the relevant sections of the Bank Act will be forwarded to any shareholder upon request made to the Secretary of the Bank at the Bank's Head Office.

Appointments and Revocation of Proxies

The persons named in the enclosed Form of Proxy are directors and officers of the Bank.

SHAREHOLDERS DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT THEM AT THE MEETING MAY DO SO (see Note 3 on the Form of Proxy), either by inserting such person's name in the blank space provided in the Form of Proxy and deleting the names printed thereon or by completing another proper Form of Proxy and, in either case, delivering the completed Proxy to the Transfer Agent of the Bank at least 48 hours prior to the meeting.

A shareholder who signs and returns the enclosed Form of Proxy may revoke it at any time before it is acted upon by depositing written notification at the Head Office of the Bank not later than the last business day preceding the day of the meeting or with the Chairman of the meeting on the day of the meeting or an adjournment thereof.

Voting Secrecy

Proxies are counted and tabulated by the Bank's Transfer Agent in such a manner as to preserve the confidentiality of individual shareholder votes, except (a) where the shareholder clearly intends to communicate his or her individual position to management, and (b) as necessary to meet the requirements of applicable law.

Exercise of Discretion by Proxy

The shares represented by any Proxy in the form enclosed herewith and appointing the persons designated thereon or any of them to represent the shareholder at the meeting will be voted in accordance with the specifications given by the shareholder. **IN THE ABSENCE OF ANY CONTRARY INSTRUCTION, THE SHARES REPRESENTED BY PROXIES RECEIVED BY MANAGEMENT WILL BE VOTED ON ANY BALLOT WHICH MAY BE HELD "FOR" THE ELECTION OF THE MANAGEMENT**

NOMINEES FOR DIRECTORS, "FOR" THE APPOINTMENT OF THE AUDITORS NAMED HEREIN, "FOR" THE FIXING OF THE REMUNERATION OF SUCH AUDITORS, AND "FOR" THE MANAGEMENT PROPOSALS GENERALLY.

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting. As at the date hereof, management is not aware that any other matter is to be presented for action at the meeting. If, however, other matters properly come before the meeting, the persons designated in the enclosed Form of Proxy will vote thereon in accordance with their judgement pursuant to the discretionary authority conferred by the Proxy with respect to such matters.

A simple majority of the votes cast at a meeting, whether by Proxy or otherwise, will constitute approval of any matter submitted to a vote at the meeting.

Election of Directors

The Board consists of a minimum of 20 and a maximum of 50 directors, who are required to be elected annually. The persons named on the enclosed Form of Proxy intend to vote for the election of the nominees whose names are set forth below and who are now directors. Each director will be elected to hold office until the next Annual Meeting of Common Shareholders or until such office is earlier vacated.

The Board of Directors does not have an executive committee. **Directors who are members of the audit committee are so designated.** The under-noted table sets forth the names of the persons proposed to be nominated for election as directors together with their principal occupation, the year in which they became directors of the Bank and the number of shares beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Additionally, as required by the Bank Act, set out below is a summary of the record of attendance by directors at Board, Committees of the Board, and Regional Director Committee meetings during the 12 months ended October 31, 1988. During this period, 12 Board meetings were held: Montreal (6), Toronto (4), London, Ontario (1), Calgary (1). Committees of the Board held meetings as follows: Audit (7), International Strategic Issues (2), Loan Policy (23), Nominating (4), Personnel & Compensation (5), Public Policy (4). Regional Director Committees held meetings as follows: Atlantic (11), Quebec (12), Ontario (12), Manitoba (12), Saskatchewan (8), Alberta (9), British Columbia (12), New York (12), Latin America & Caribbean (1), London, England (11).

Name & Principal Occupation	Address	Director Since	Shares of the Bank Beneficially Owned *		No. of Meetings Attended Board Committees	
			Common	Pref'd		
Ian A. Barclay Associate McQuaid & Associates Consulting Ltd. (Corp. mergers, acquisitions, divestitures & related services) (Member Audit Committee)	Vancouver, B.C.	April 3, 1973	7,075	—	11	19
G.H. Blumenauer Chairman of the Board Otis Canada, Inc. (Mfrs. of elevators) (Member Audit Committee)	Oakville, Ontario	Dec. 2, 1969	6,190	—	12	20
Robert W. Campbell Chairman Canadian Pacific Limited (Oil & gas, mining, forest products and transportation)	Calgary, Alberta	March 6, 1984	100	—	9	19
Robert M. Chipman Chairman The McGill-Stephenson Company Limited (Automotive/Real estate)	Winnipeg, Manitoba	May 5, 1986	2,228	—	12	14
John E. Cleghorn President The Royal Bank of Canada (Director, National Mutual Royal Bank Limited)	Montreal, Quebec	Nov. 3, 1987	4,259	—	12	36

Name & Principal Occupation	Address	Director Since	Shares of the Bank Beneficially Owned *		No. of Meetings Attended	
			Common	Pref'd	Board	Committees
Ronald L. Cliff, C.M., C.A. Chairman Inland Natural Gas Co. Ltd. (Energy company) (Member Audit Committee)	Vancouver, B.C.	April 7, 1987	29,359	—	10	14
George A. Cohon, C.M., B.Sc., J.D., Ph.D. (Hon.) Chairman, President and Chief Executive Officer McDonald's Restaurants of Canada Limited (Quick service restaurants) (Held executive positions with this company during past five years)	Toronto, Ontario	June 1, 1988	1,000	—	3	3
Frank B. Common, Jr., Q.C. Counsel Ogilvy Renault (Barristers & Solicitors) (Director, RoyLease Limited)	Montreal, Quebec	March 19, 1974	6,186	—	12	14
Camille A. Dagenais, C.C., LL.D. Director The SNC Group (Engineers & constructors)	Montreal, Quebec	April 11, 1978	2,000	—	10	24
Jean-Claude Delorme, Q.C., O.C., O.N.Q. President and Chief Executive Officer Teleglobe Canada Inc. (Telecommunication services) (Held executive positions with this company during past five years)	Montreal, Quebec	Feb. 2, 1988	—	—	8	7
Mitzi S. Dobrin, C.M. Chairman & Chief Executive Officer DBRN Holdings Ltd. (Investment company)	Montreal, Quebec	Nov. 30, 1976	2,351	—	10	22
G. Campbell Eaton, O.C., M.C., C.D., LL.D. President Dublin Ltd. (Personal company)	St. John's, Newfoundland	Sept. 9, 1976	4,765	500 (1st B)	12	31
John R. Evans, C.C., M.D. Chairman & Chief Executive Officer Allelix Inc. (Biotechnology)	Mississauga, Ontario	March 6, 1984	1,500	—	11	15
Jock K. Finlayson Chairman Royal Insurance Company of Canada (Insurance)	Montreal, Quebec	April 7, 1970	4,802	—	11	9
Rowland C. Frazee, O.C. Retired Chairman The Royal Bank of Canada	Montreal, Quebec	Feb. 28, 1973	9,649	—	11	9

Name & Principal Occupation	Address	Director Since	Shares of the Bank Beneficially Owned *		No. of Meetings Attended	
			Common	Pref'd	Board	Committees
Arden R. Haynes Chairman and Chief Executive Officer Imperial Oil Limited (Integrated petroleum company)	Toronto, Ontario	June 11, 1985	233	—	9	8
Charles H. Knight Chief Executive Officer Denro Holdings Ltd. (Land development)	Regina, Sask.	Feb. 1, 1983	1,000	—	10	11
Walter F. Light, O.C., O.Ont. Retired Chairman Northern Telecom Limited (Mfrs. of telephone equipment, wire & cable)	Toronto, Ontario	July 11, 1978	5,500	—	10	10
The Hon. E. Peter Loughheed, P.C., C.C., Q.C. Senior Partner Bennett Jones (Barristers & Solicitors)	Calgary, Alberta	Feb. 4, 1986	200	—	7	7
P.L.P. Macdonnell, C.M., Q.C. Partner Milner & Steer (Barristers & Solicitors)	Edmonton, Alberta	June 4, 1968	6,386	—	10	12
Clifford S. Malone Vice-Chairman United Corporations Limited (Investments) (Director, RoyLease Limited)	Toronto, Ontario	May 20, 1975	2,500	—	12	24
Alexander B. Marshall Chairman Commercial Union Assurance Company plc (Insurance company) (Member Audit Committee) (Director, The Royal Bank of Canada Holdings (U.K.) Limited)	London, England	Oct. 1, 1985	—	—	8	17
J. Pierre Maurer Vice-Chairman of the Board Metropolitan Life Insurance Company (Life insurance company)	New York, N.Y.	April 23, 1975	8,161	—	12	19
G. Wallace F. McCain President McCain Foods Limited (Frozen foods)	Florenceville, N.B.	Sept. 3, 1986	5,000	—	6	1
Dawn R. McKeag President Walford Investments Ltd. (Holding company)	Winnipeg, Man.	Mar. 1, 1978	6,000	200 (1st B)	11	27
W. Earle McLaughlin Former Chairman of the Board The Royal Bank of Canada	Montreal, Quebec	Dec. 19, 1960	12,326	—	9	27

Name & Principal Occupation	Address	Director Since	Shares of the Bank Beneficially Owned *		No. of Meetings Attended	
			Common	Pref'd	Board	Committees
A.H. Michell Vice-Chairman The Royal Bank of Canada	Montreal, Quebec	June 1, 1986	7,550	—	12	15
J. William E. Mingo, Q.C. Barrister Stewart MacKeen & Covert (Barristers & Solicitors)	Halifax, N.S.	April 5, 1983	5,813	—	11	32
J. Edward Newall Chairman, President and Chief Executive Officer Du Pont Canada Inc. (Chemicals)	Mississauga, Ontario	Sept. 5, 1984	6,069	—	11	9
Ralph A. Pfeiffer, Jr. Retired Chairman & Chief Executive Officer IBM World Trade Corp. (Technology) (Member Audit Committee)	Purchase, N.Y.	June 12, 1984	300	—	10	14
Neil F. Phillips, Q.C. Resident Senior Counsel Goodman, Phillips & Vineberg (Barristers & Solicitors)	New York, N.Y.	Feb. 1, 1972	2,875	6,125 (2nd A)	10	14
Herbert C. Pinder President Saskatoon Trading Company Limited (Property holding company)	Saskatoon, Sask.	June 5, 1970	4,418	—	12	24
Claude Pratte, Q.C. Counsel Stein, Monast, Pratte & Marseille (Barristers & Solicitors)	Quebec, Quebec	May 9, 1967	6,186	—	11	16
Charles I. Rathgeb Chairman Comstock Canada (Construction & mechanical equipment)	Scarborough, Ontario	Dec. 1, 1970	25,000	—	11	12

Name & Principal Occupation	Address	Director Since	Shares of the Bank Beneficially Owned *		No. of Meetings Attended	
			Common	Pref'd	Board	Committees
Kenneth C. Rowe, F.C.I.S. Chairman, President and Chief Executive Officer I.M.P. Group Limited (Aerospace, marine products & manufacturing)	Halifax, N.S.	Nov. 5, 1985	160,000	—	12	15
Robert T. Stewart Chairman, President and Chief Executive Officer Scott Paper Limited (Canadian mfr. of sanitary & convenience paper products) (Held executive positions with this company during past five years)	Vancouver, B.C.	April 5, 1988	—	—	6	6
Allan R. Taylor Chairman & Chief Executive Officer The Royal Bank of Canada	Toronto, Ontario	June 7, 1983	6,928	—	12	36
John A. Tory, Q.C. President The Thomson Corporation Limited (Publishing and holding company) (Member Audit Committee)	Toronto, Ontario	Mar. 10, 1971	13,866	—	10	18
W.P. Wilder Retired Chairman of the Board The Consumers' Gas Company Ltd. (Gas utility)	Toronto, Ontario	Sept. 9, 1980	10,000	—	12	25

* Includes shares over which control or direction is exercised by the person named even in those cases when beneficial ownership of some or all of the shares is disclaimed.

Directors during fiscal 1988 who are not standing for re-election on January 12, 1989 attended meetings as follows:

	Board	Committee
Robin W. Adam	5	7
John A. Armstrong	2	4
L. Yves Fortier, O.C., Q.C.	7	11
W.D.H. Gardiner	3	1
R.G.P. Styles	6	5
Peter N. Thomson	2	—

Directors' and Officers' Remuneration

During the fiscal year ended October 31, 1988, the aggregate remuneration paid by the Bank and its subsidiaries to its directors and officers was as shown in the table below. Directors are compensated as follows: (i) annual retainer of \$10,000; (ii) each Board meeting attended — \$750; (iii) each Board Committee meeting attended —

\$500 (Loan Policy Committee \$250 per meeting plus annual retainer of \$2,500); and (iv) Committee chairmen receive an additional annual retainer of \$1,000. Directors are reimbursed for transportation and other expenses incurred for attendance at Board and Committee meetings.

	Directors' Fees	Salaries	Other (Note 1)	Total
Remuneration of Directors				
A) No. of Directors: 41				
B) Corporation incurring the expense				
The Royal Bank of Canada	\$ 965,214			\$ 965,214
RoyCan International Banking Limited	US \$ 500		US \$	500
The Royal Bank of Canada International Limited	US \$ 2,700		US \$	2,700
R.B.C. Bahamas Limited	US \$ 750		US \$	750
RBC Dominion Securities Limited	\$ 7,423		\$	7,423
RoyLease Limited	\$ 6,000		\$	6,000
The Royal Bank of Canada Holdings (U.K.) Limited	£ 3,427		£	3,427
Remuneration of Officers				
A) No. of Officers: 208 (including retirees during year)				
B) Corporation incurring the expense				
The Royal Bank of Canada	\$ 38,000	\$20,806,658	\$1,813,269	\$22,657,927
	£ 3,427			3,427
	US \$ 3,950			3,950
Totals	CAN. \$ 1,016,637	20,806,658	1,813,269	23,636,564

Note 1 — Aggregate value of the compensation shown does not exceed the lesser of \$25,000 times the number of persons in the group, or 10% of the aggregate salaries stated above. Figure consists of benefits other than salary to officers on transfer to national and international locations (\$1,373,165) as well as the Bank's contributions on behalf of officers to the Employee Savings Plan (\$440,104). There were no non-accountable expense allowances.

Long Term Performance and Investment Plan

154 officers are currently voluntary participants in this Plan whereunder the Bank makes loans to eligible officers in amounts determined by the Personnel and Compensation Committee of the Board of Directors, which amounts are used exclusively to purchase common shares of the Bank at then applicable market prices. These loans are subject to reduction by the amounts of performance awards made to participants after three years on targets determined at the beginning of each three-

year performance period based on projected three-year compound growth in the book value of common shares and the Bank's return on equity in the third year of the performance period. In the event of retirement after age 55 and 10 years of continuous service, the balance, if any, of any loan outstanding at the end of the last performance period in which the retirement occurs, after application of any performance award and the proceeds from the disposition of the shares, is forgiven.

A Phantom Plan corresponding in its terms to the captioned Plan is in place for those officers who are directors of the Bank. Loans are not made and shares are not purchased but at the end of each three-year performance period calculation is made as if loans had been made and the shares purchased and disposed of at the end of each performance period with the same effect as under the Plan.

Performance awards made in January 1988 pertaining to the three-year performance period ended October 31, 1987, including amounts determined for Phantom Plan participants, amounted to \$127,644. The aggregate amount of such awards to be made subsequent to October 31, 1988 pertaining to the performance period ended October 31, 1988 is estimated not to exceed \$50,000.

Incentive Plan

Incentive bonuses based on individual performances and the general financial performance of the Bank in relation to targets for net income, return on assets, non-interest expense and other income in each fiscal year are paid following the end of the fiscal year to officers and senior management employees. The aggregate of such bonuses for the last fiscal year cannot yet be determined; the amount of such bonuses for the period ended October 31, 1987 in respect of officers was \$6,493,885.

Automobile Plan

Officers are eligible to participate in a leased automobile program for business and personal use. Rental, maintenance and operational costs are for account of the Bank. Costs attributable to this Plan in the last fiscal year are estimated at \$1,699,676.

Staff Loan Plan

Eligible employees are permitted to borrow from the Bank, within certain prescribed limits and subject to the normal credit granting criteria applied to regular customer loans, at varying staff interest rates for purchases of or improvements to residential properties, investments in shares of the Bank, purchases of durable consumer goods or for certain other personal use purposes. Deemed taxable benefits arising from all loans outstanding to officers in the last fiscal year pursuant to Section 80.4 of the Income Tax Act (Canada) are estimated at \$1,171,457.

Termination of Employment (Retirement)

Pension and retirement allowance plans are in effect to provide certain senior officers on retirement with annual retirement income of up to 70% of final average salary (assuming 35 years pensionable service). Lump sum retirement allowance payments equal to $1\% \times \text{years of service to December 31, 1986} \times \text{salary as at December 31, 1986}$ are also paid. The value of the foregoing compensation exceeds \$60,000.

Indebtedness of Directors

Except as stated hereunder, none of the Bank's directors, or proposed nominees for election as directors, were indebted to the Bank or any of its subsidiaries during the year ended October 31, 1988 other than for such loans as are excluded from reporting by the form of proxy regulations

under the Bank Act and applicable Canadian securities laws. The undernoted are also senior officers or former senior officers of the Bank and as such received loans to assist in the acquisition of housing or Bank shares or for personal requirements and for participation in the Bank's Long Term Performance and Investment Plan.

Name & Address	Max. Indebtedness During Year Ended October 31, 1988	Balance O/S November 8, 1988	Interest Rate
J.E. Cleghorn, Montreal	\$499,592	\$459,569	0*, 1, 3, 4, 4.50%
J.K. Finlayson, Montreal	26,000	21,000	3%
R.C. Frazee, Montreal	17,000	Nil	3.5%
A.H. Michell, Montreal	354,989	345,865	0*, 3, 4.50, 11.75%
A.R. Taylor, Toronto	295,325	291,854	3, 11.75%

* Rate applicable only to those loans granted relative to participation in the Long Term Performance and Investment Plan, prior to their eligibility for the Phantom Plan.

Indebtedness of Officers

Loans granted under the Bank's Staff Loan Plan which are not within the definition of routine indebtedness set out in the proxy regulations under applicable Canadian securities laws amounted to an aggregate of \$20,953,001. Housing loans, secured by collateral mortgage and primarily related to Bank initiated transfers of officers to major metropolitan areas in Canada, the United States and the United Kingdom, included in the above aggregate totalled \$12,553,948 and are amortized over 20 or 25 years. The first \$50,000 of such housing loans is granted at 1% interest, the balance at 4%, for an initial 3-year period; in the fourth year the rates are 2% and 5% respectively. Thereafter, these loans currently bear interest at rates between 3% and 6%. Since June 1984, loans granted to assist with housing purchases not made in conjunction with Bank initiated transfers bear interest at a minimum 6% rate subject to review at the end of

5 years; loans made prior to that date bear interest at a combination of 3% and 6% fixed rates. Housing loans secured by mortgages not granted under the Bank's Staff Loan Plan which are not within the definition of routine indebtedness set out in the proxy regulations under applicable Canadian Securities laws amounted to an aggregate of \$1,628,969. Such housing loans bear interest at the Bank's regular customer rates and vary depending on term. At present the Bank's interest rates on mortgages to customers vary from 11.25% to 11.75%. Loans other than for housing, including those made for short term bridging purposes, total \$4,965,958 and bear interest at rates between 3% and Royal Bank Prime. There is an additional \$3,433,095 in interest free loans to purchase common shares of the Bank pursuant to the provisions of the Bank's Long Term Performance and Investment Plan.

Name & Address	Max. Indebtedness During Year Ended October 31, 1988		Balance O/S November 8, 1988	Name & Address	Max. Indebtedness During Year Ended October 31, 1988		Balance O/S November 8, 1988		
N.C. Achen, Toronto	\$	214,714	\$	216,731	W.R. Dinwoodie, Toronto	\$	273,777	\$	240,395
G.C. Aitken, Toronto		227,898		41,594	S.L. Donofrio, Montreal		213,245		211,059
O.W. Allen, Toronto		150,588		147,707	D.W. Dougherty, Toronto		137,924		115,525
J.D. Anderson, Toronto		147,058		176,095	J. Driedger, Toronto		222,710		213,580
R.L. Arseneault, Montreal		29,117		29,117	J.B. Easton, Toronto		51,785		41,635
M.C.S. Baptista, Toronto		271,641		268,650	L.G. Edmonds, Vancouver		71,272		81,193
M.A. Bastian, Toronto		54,967		54,687	H.E. Elsie, Toronto		189,431		184,632
J.P. Béland, Montreal		52,334		45,106	G.E. Farrow, Toronto		149,173		147,387
D.A. Berardinucci, Toronto		142,791		137,501	J.R.J. Fauvel, Montreal		95,558		73,790
G.R. Bernard, Quebec City		74,623		68,985	G.J. Feeney, Montreal		613,657		330,490
R.G. Bernard, Montreal		78,641		65,311	E.D. Ferguson, Montreal		206,631		202,243
T.W. Bleackley, Vancouver		92,888		89,548	W.R. Fithern, Montreal		37,072		37,072
R. Bodt, Toronto		148,841		146,471	C.L. Fong, Calgary		16,662		16,662
J.E. Bolduc, Montreal		78,434		67,175	VT. Forster, Toronto		174,425		172,546
A.A. Bowbyes, Toronto		142,486		136,716	R.C. French, Toronto		228,047		227,034
J.K. Breen, Toronto		150,622		146,711	G.F. Gaffney, Montreal		558,000		209,912
J.P.W. Brewster, New York	US	200,000	US	198,426	D.C. Gale, Halifax		133,953		85,259
H.G. Buckrell, Montreal		271,865		264,263	B.C. Galloway, Toronto		68,059		67,171
W.C. Bull, Montreal		123,951		119,657	J.J. Gannon, Montreal		191,317		183,342
J.T. Burnett, Toronto		261,739		247,306	G.M. Gartner, Vancouver		177,846		177,510
L.M. Buth, Toronto		129,221		125,285	R. Gazard, Toronto		55,449		54,930
J.H.G. Camiré, Montreal		52,707		48,042	L.K. Gieck, Calgary		15,577		15,577
W.P. Carter, Montreal		7,930		7,930	W.H. Gilbert, Toronto		51,058		51,058
P.A. Case, Toronto		15,786		15,786	G. Gill, Toronto		247,365		246,213
B.D. Champion, Toronto		16,575		16,575	G.D. Gillespie, New York		16,180		16,180
R.S. Chang, Toronto		107,954		105,840		US	194,000	US	193,764
J.P. Clarke, Montreal		110,932		110,279	R.J. Goom, London, England		7,719		7,719
W.B. Cockburn, Toronto		143,637		141,228		£	115,616	£	113,660
C.S. Coffey, Toronto		14,966		14,966	W.J. Gorman, Toronto		118,292		118,288
M.A. Corlett, Toronto		266,987		275,974	W.J. Grace, Toronto		155,322		150,002
C.J. Coveyduck, Montreal		94,851		82,682	J.C. Grant, Toronto		111,257		92,257
A.R. Creasor, Calgary		190,284		187,747	B.M. Gray, Montreal		307,367		125,309
J.D. Davison, Toronto		15,481		15,481	B.D. Gregson, Toronto		195,762		188,911
G.A.A. Dickson, Toronto		28,385		28,385	D.D.E. Grier, Toronto		167,438		162,193

Name & Address	Max. Indebtedness During Year Ended October 31, 1988		Balance O/S November 8, 1988	Name & Address	Max. Indebtedness During Year Ended October 31, 1988		Balance O/S November 8, 1988		
B.P. Griffiths, Toronto	\$	26,963	\$	26,963	F.M. Munsters, Toronto	\$	185,684	\$	184,527
J.R. Groves, Toronto		138,865		135,712	W. Murray, Toronto		170,522		130,241
J.A.R. Guay, Montreal		77,965		72,980	E.P. Neufeld, Toronto		92,199		90,658
R.F. Gulliford, Toronto		17,056		17,056	M.A. Nicolai, Toronto		15,787		15,787
R.G. Hall, Toronto		230,887		229,974	P.A. Palmer, Toronto		212,423		198,079
K.W. Harrison, Winnipeg		136,609		135,020	R.R. Parker, Ottawa		293,669		286,892
R.A.R. Haskins, Vancouver		157,824		150,946	W.R. Penner, Vancouver		20,965		20,965
G.R. Heckman, Toronto		112,371		66,572	H.I. Phillipps, Toronto		266,364		264,748
R.F. Hemeon, Vancouver		48,597		48,597	H.A. Philpott, Regina		106,346		15,482
J.E. Henry, Edmonton		194,355		181,601	G.H. Pickel, Montreal		18,969		18,969
A.J. Hogan, Toronto		210,667		198,050	J.H. Prenger, Toronto		221,782		170,029
R.W. Hoke, New York		16,785		16,785	P.J. Rafuse, Toronto		65,858		57,770
	US	317,219	US	304,974	N.L. Rapkin, Montreal		48,266		48,266
R.J.V. Howland, Toronto		175,649		170,884	J.N.T. Rednall, Toronto		115,906		112,426
H.A. Jacobsen, Nassau, Bahamas		54,551		52,466	M.J. Regan, Toronto		461,328		211,326
G.J. Johnson, Toronto		347,540		345,854	R.H. Riviere, Toronto		263,295		257,183
R.M. Juneau, Toronto		129,647		127,091	D.L. Robertson, Toronto		235,273		230,310
B.V. Kelly, Toronto		363,515		334,307	R.B. Robertson, Regina		268,306		221,698
K.N. Kikano, London, England		81,749		78,320	M.J. Ross, New York		16,391		16,391
D.N. Kitchen, Calgary		51,415		40,936		US	115,319	US	90,112
J.R. Klassen, Montreal		135,796		136,279	P.H. Rubenovitch, Montreal		80,980		80,978
F.H.S. Lablans, Montreal		170,679		165,000	B. Schroder, Toronto		265,097		233,676
J.Y. Lawrie, Singapore		15,270		15,270	D.R. Seguin, Montreal		63,999		59,818
J.E. Lawson, Montreal		150,233		150,760	K.A. Smee, Toronto		53,135		52,610
D.M. Leahey, Montreal		249,751		241,827	R.F.M. Smith, Calgary		122,195		120,522
J.M. Lejeune, Montreal		19,514		19,514	R.L. Spicer, Montreal		50,676		48,351
K.A. Littlewood, Hato Rey, Puerto Rico		75,172		75,172	W.D. Squires, Calgary		116,969		113,951
E.J. Lundy, Vancouver		211,369		210,596	R.E. Stanley, Toronto	US	27,309	US	22,592
F.G. MacDonald, Toronto		174,555		171,931	E.G. Stone, Toronto		210,629		206,297
W.A.R. MacDonald, Montreal		154,481		142,553	R.J. Sutherland, Halifax		247,101		208,187
I.A. MacKay, Toronto		266,883		263,955	J.K. Talbot, Toronto		178,075		169,966
J.K. MacKay, Toronto		348,496		219,527	G.G. Tallman, Montreal		243,481		243,322
W.J. Mackay, Toronto		186,643		147,629	G.P. Tatrallyay, Montreal		152,655		149,831
A.S. MacNeill, Ottawa		70,545		58,350	P.A. Taylor, Toronto		349,360		320,771
S.C. Marks, Toronto		415,513		415,513	R. Thomas, Montreal		62,099		59,259
B.C. Marshall, Montreal		218,913		215,981	A.J. Thomson, Montreal		36,573		26,959
R.A. Masleck, London, England		177,311		167,037	A.L. Tower, Calgary		323,975		17,360
A.A. McArthur, Houston, Texas		17,178		17,178	J.A.B. Townley, Toronto		15,968		15,968
	US	98,928	US	93,340	R.E. Travis, Toronto		137,081		134,519
W.J. McCartney, Montreal		148,229		122,531	P.H. Tucker, Montreal		233,029		218,247
E.R. McCutcheon, New York		18,542		18,542	M.L. Turcotte, Montreal		126,904		126,045
	US	152,947	US	144,686	A.G. van Schalkwyk, Toronto		15,574		15,574
T.R. McDermid, Calgary		56,750		56,346	J.A.W. Van Slyck, San Francisco, CA		17,272		17,272
J.B. McDonald, Winnipeg		115,781		104,488		US	242,290	US	226,710
V.G. McKay, Tokyo, Japan		286,794		38,781	K.A. von dem Hagen, Toronto		129,975		126,069
G.A. McNish, Toronto	US	89,935	US	87,026	J.A.S. Walker, Montreal		39,278		34,478
H.D. McRorie, Winnipeg		17,966		17,966	J.M. Walker, New York		51,950		40,454
J. Merriam, Montreal		57,052		53,311		US	300,000	US	300,000
J.M. Messmer, Toronto		78,369		75,368	J.C. Walz, Toronto		189,814		187,064
S.A. Middaugh, Halifax		83,120		77,989	A.A. Webb, London, England		101,268		97,190
W.J. Mills, Toronto		25,904		27,956	D.S. Wells, Montreal		104,570		95,646
M.A.R. Mimeault, Toronto		118,296		116,228	M. Werner, Montreal		145,347		113,088
A. Mirrlees, Toronto		9,981		9,981	J.A. Williams, Tokyo, Japan		86,298		50,918
W.T. Moodie, New York		14,755		14,755	R.D. Williamson, Chicago, Ill.		7,493		7,493
	US	21,000	US	21,000		US	201,579	US	194,086
K.J. Morrison, Toronto		165,992		174,820					

Interest of Insiders in Material Transactions

Since the commencement of the Bank's last completed financial year, the Bank has not entered into any transaction with any present, contemplated or proposed director or with any proposed management nominee for election as a director or with any officer or any associate of or any corporation controlled by any such director or officer, nor does it propose to enter into any such transaction that has materially affected or will materially affect the Bank or any of its subsidiaries.

Legal Proceedings

The Bank continues to be the target of various lawsuits which challenge certain of its practices or specific actions it has taken. More than half of these are actions or countersuits brought in reaction to steps the Bank has taken to collect delinquent loans and enforce rights it has in collateral securing such loans, or are otherwise loan related. The aggregate liability which could result from all these suits, however, is not considered material.

Directors and Officers Liability Insurance

The Bank has purchased at its expense group liability insurance in the amount of \$50,000,000 for its protection and for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers of the Bank. During fiscal 1988, in respect of policy year from December 28, 1987 to December 28, 1988, the Bank paid a premium of \$909,614 of which \$45,480 was in respect of the directors as a group and \$45,480 in respect of the officers as a group. In any case in which the Bank is not permitted by law to reimburse the director or officer, the deductible is \$5,000 per person with an aggregate of \$10,000 per claim. Where the Bank is permitted to reimburse the director or officer, the deductible is \$5,000,000.

Appointment of Auditors

The Bank Act requires shareholders to appoint two firms of accountants to be the Auditors of the Bank until the next Annual Meeting. If the same two firms have been appointed for two consecutive years, one such firm shall not be appointed for a period of two years following the expiration of the term of their last appointment. The firms of Deloitte Haskins & Sells, Touche Ross & Co. and Price Waterhouse have held appointments on the foregoing basis during the five financial years ended October 31, 1988. The persons named in the enclosed Form of Proxy intend to vote for the re-appointment of Touche Ross & Co. (served since 1980) and Price Waterhouse (last served in 1988) as Auditors of the Bank until the Annual Meeting of Shareholders to be held in 1990 and to fix their remuneration at a sum not to exceed \$695,000 (1988 - \$665,000) to be divided between them.

Directors' Approval

The Board of Directors of the Bank has approved the contents and sending of this Management Proxy Circular.

Dated as of November 8, 1988



J.E. Lawson
Vice-President & Secretary

